

117 - O.C. HOUSING AUTHORITY - OPERATING RESERVE

Operational Summary

Description:

To work in partnership with and advocate for Orange County's diverse communities, improve lives by supporting and providing needed community services, strengthen economic viability, and preserve and expand affordable housing opportunities; thereby enhancing the quality of life for our community.

Strategic Goals:

- Increase and preserve affordable housing opportunities, especially for those most in need.

FY 2003-2004 Key Project Accomplishments:

- In 2003, Housing and Community Services (HCS) held four Grand Openings of affordable housing developments: Vintage Shores, Talega Phase I, Westminster Senior Apartments, and Linbrook. These provided a total of 403 new affordable units. HCS issued one Notice of Funding Availability (NOFA) early in the year for \$5,000,000 to fund 360 new affordable housing units, and a second NOFA in October.
- HCS approved six Cal Home First Time Homebuyer loans and two loans for the HIRE program (Home Ownership Incentive for the Recruitment and Retention of Employees in Orange County).
- The Housing Assistance Division at HCS provided monthly rental assistance to 10,000 households. By aggressively optimizing funding flexibilities, the division was able to assist between 100-350 additional households per month over the targeted maximums, as well as remain within Federal funding limits.

O.C. HSE AUTHORITY/OPER RESERV - Operating Reserve funds may be used only for the cost of ongoing administration of Housing and Community Services' (HCS) current Section 8 rental assistance program or for other housing related purposes consistent with state and local law, including the development of affordable housing as approved by the Board.

At a Glance:

| | |
|---|-----------|
| Total FY 2003-2004 Projected Expend + Encumb: | 893,633 |
| Total Recommended FY 2004-2005 Budget: | 6,047,490 |
| Percent of County General Fund: | N/A |
| Total Employees: | 0.00 |

Budget Summary

Plan for Support of the County's Strategic Priorities:

Affordable housing development continues to be one of the Board of Supervisors' Top 10 Strategic Priorities. HCS supports this priority by allocating over \$2.3 million in block grant funding through the ARC process for FY 04-05. Over \$30 million has been allocated to affordable housing projects, combining funds 117, 15G, and various redevelopment funds. Of that amount, \$12 million has already been committed to projects. HCS will continue to solicit projects through a Request for Proposal (RFP) and Notice of Funding

Availability (NOFA) for development of affordable rental housing. The goal of the RFP and the NOFA is to promote the development of permanent affordable rental housing for Orange County's very-low and low-income households by providing favorable financing.

Changes Included in the Recommended Base Budget:

HUD has changed the manner in which excess administrative fees are used. There is now a cap placed upon the amount of excess fees that a Housing Authority can retain before HUD stops paying administrative fees. As a result, HCS has budgeted several operating expenses in fund 117 in order to commit the funding and thereby protect it from recapture. Fund 117 will also continue to provide money for Housing Supportive Service contracts, SuperNOFA Homeless Assistance application planning activities, and affordable housing monitoring.

Proposed Budget and History:

| Sources and Uses | FY 2002-2003 Actual | FY 2003-2004 Budget As of 3/31/04 | FY 2003-2004 Projected ⁽¹⁾ At 6/30/04 | FY 2004-2005 Recommended | Change from FY 2003-2004 Projected | |
|--------------------|------------------------|---|--|-----------------------------|---------------------------------------|---------|
| | | | | | Amount | Percent |
| Total Revenues | 7,685,882 | 6,620,901 | 6,830,692 | 6,047,490 | (783,202) | -11.47 |
| Total Requirements | 2,272,113 | 6,620,901 | 1,449,893 | 6,047,490 | 4,597,597 | 317.10 |
| Balance | 5,413,769 | 0 | 5,380,799 | 0 | (5,380,799) | -100.00 |

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: O.C. Housing Authority - Operating Reserve in the Appendix on page 522.

Highlights of Key Trends:

- The Section 8 Rental Assistance Voucher Program has experienced dramatic changes in 2003. HUD has reversed its decision to pay the costs associated with vouchers leased up in excess of 100%, and the Housing

Authority has had to stop issuing vouchers to lower the rate through attrition. However, the Housing Authority will continue to support the lease up levels of 100%.

117 - O.C. HOUSING AUTHORITY - OPERATING RESERVES

Summary of Proposed Budget by Revenue and Expense Category:

| Revenues/Appropriations | FY 2002-2003 Actual | FY 2003-2004 Budget As of 3/31/04 | FY 2003-2004 Projected ⁽¹⁾ At 6/30/04 | FY 2004-2005 Recommended | Change from FY 2003-2004 Projected | |
|--|------------------------|---|--|-----------------------------|---------------------------------------|-----------------|
| | | | | | Amount | Percent |
| Revenue From Use Of Money And Property | \$ 454,175 | \$ 490,883 | \$ 381,009 | \$ 376,899 | \$ (4,110) | -1.08% |
| Intergovernmental Revenues | 49,246 | 0 | 0 | 0 | 0 | 0.00 |
| Miscellaneous Revenues | 17,602 | 420,401 | 446,712 | 0 | (446,712) | -100.00 |
| Total FBA | 7,144,244 | 5,709,617 | 5,709,617 | 5,380,799 | (328,818) | -5.76 |
| Reserves | 0 | 0 | 278,960 | 289,792 | 10,832 | 3.88 |
| Reserve For Encumbrances | 20,615 | 0 | 14,394 | 0 | (14,394) | -100.00 |
| Total Revenues | 7,685,882 | 6,620,901 | 6,830,692 | 6,047,490 | (783,202) | -11.47 |
| Services & Supplies | 414,852 | 901,870 | 649,472 | 1,058,907 | 409,436 | 63.04 |
| Other Charges | 218,809 | 5,513,031 | 258,518 | 4,782,583 | 4,524,065 | 1,750.00 |
| Other Financing Uses | 0 | 206,000 | 0 | 206,000 | 206,000 | 0.00 |
| Reserves | 1,638,452 | 0 | 541,903 | 0 | (541,903) | -100.00 |
| Total Requirements | 2,272,113 | 6,620,901 | 1,449,893 | 6,047,490 | 4,597,597 | 317.10 |
| Balance | \$ 5,413,769 | \$ 0 | \$ 5,380,799 | \$ 0 | \$ (5,380,799) | -100.00% |

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).